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RUEHSH/AMCONSUL SHENYANG 4770  
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SUBJECT: SEOUL - PRESS BULLETIN; July 24, 2009

TOP HEADLINES

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Chosun Ilbo

Ruling Camp Seeks "Cabinet Reshuffle" to Overcome Political  
Stalemate Caused by Unilateral Passage of Media Reform Bills, While  
Opposition Parties Vow to Fight to Nullify the Passage

JoongAng Ilbo

"Who Will Want to Enter Media Industry with Responsibility When the  
Stake is Only 10 Percent?"

Media Experts Skeptical over Effectiveness of Revised Media  
Measures

Dong-a Ilbo, Seoul Shinmun

Public Welfare Bills Get Lost Amid Confrontation  
between Rival Parties

Hankook Ilbo

Opposition Parties Go to Court over "Voting Fraud"  
Opposition Claims Some Ruling Party Lawmakers Cast Ballots Multiple  
Times on Behalf of Fellow Lawmakers  
When Voting Occurred on Media Reform Bills

Hankyoreh Shinmun

National Assembly Secretariat's Claim - That It is "Customary" for  
the Assembly to Vote Again on the Same Bill  
- Turns Out to Be a Lie

Segye Ilbo

Hyundai Motor's Global Market Share Reaches  
5 Percent for First Time

DOMESTIC DEVELOPMENTS

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The (ROK) Fair Trade Commission (FTC) yesterday slapped Qualcomm  
Inc., the U.S.-based mobile chipmaker, with the agency's  
highest-ever penalty of 260 billion won (\$208 million) for unfair  
trade practices. Qualcomm responded that it cannot agree with the  
FTC's ruling and will take legal steps. (All)

## INTERNATIONAL NEWS

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The 16th ASEAN Regional Forum (ARF) in Thailand ended yesterday with a chairman's statement that included not only the condemnation of North Korea's nuclear test but also statements made by North Korea, a development seen as likely to arouse controversy. (JoongAng, Dong-a, Segye, Seoul, all TVs)

Ri Hung-sik, deputy head of North Korea's delegation to the ARF, said during a July 23 press conference that the "comprehensive package" proposed by the U.S. and the ROK for North Korea's denuclearization is "nonsense" and "just a replay of the Bush Administration's policy of CVID (complete, verifiable and irreversible dismantlement)." (All)

A spokesman from the North Korean Foreign Ministry criticized Secretary of State Hillary Clinton for her recent remarks that likened the North to "unruly teenagers," saying: "We cannot but regard Mrs. Clinton as a funny lady as she likes to utter such rhetoric, unaware of the elementary etiquette in the international community. Sometimes she looks like a primary schoolgirl and sometimes a pensioner going shopping." (Chosun, Dong-a, Hankook)

On July 22, the U.S. Senate called North Korea a "threat" to its neighbors and urged the Obama Administration to consider relisting North Korea as a state sponsor of terrorism. (Chosun, Dong-a,

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Hankook, Segye, Seoul, all TVs)

Navy Admiral Timothy Keating, the commander of U.S. forces in the Asia-Pacific region, said in a July 22 briefing that the U.S. is prepared to execute a "wide range of options" for a possible leadership change in North Korea in concert with allies in the Asia-Pacific region. (Chosun, JoongAng, Dong-a, Segye, Seoul, all TVs)

## MEDIA ANALYSIS

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### -ASEAN Meeting Wrap-up

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Most ROK media gave attention to yesterday's conclusion to the 16th ASEAN Regional Forum (ARF) in Thailand. In particular, the media noted the adoption of a chairman's statement that included not only the condemnation of North Korea's nuclear test but also many of North Korea's own statements, including the North's justification of its second nuclear test. Most media viewed this development as likely to arouse controversy, with the headline of right-of-center JoongAng Ilbo, in particular, saying: "This Year Again, ARF Diplomacy Out of Shape"

Ri Hung-sik, deputy head of North Korea's delegation to the ARF was widely quoted as saying during a July 23 press conference in Thailand that the "comprehensive package" proposed by the U.S. and the ROK for North Korea's denuclearization is "nonsense" and "just a replay of the Bush Administration's policy of CVID (complete, verifiable and irreversible dismantlement)."

Left-leaning Hankyoreh Shinmun, however, noted the North Korean official's remark, "We do not oppose talks with the U.S.," interpreting this to indicate Pyongyang's willingness to entertain the idea of negotiations with Washington.

### -N. Korea

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Most ROK media picked up the July 23 press remarks by a North Korean Foreign Ministry spokesman, in which the spokesman criticized Secretary Clinton for referring to North Korea as "unruly teenagers," saying: "We cannot but regard Mrs. Clinton as a funny lady as she likes to utter such rhetoric, unaware of the elementary etiquette in the international community. Sometimes she looks like a primary schoolgirl and sometimes a pensioner going shopping."

The ROK media carried reports that the U.S. Senate urged the Obama Administration on July 22 to consider relisting North Korea as a state sponsor of terrorism because North Korea poses a "threat" to its neighbors.

July 22 press remarks by Navy Admiral Timothy Keating, the commander of U.S. forces in the Asia-Pacific region, also captured the attention of the ROK media. He was widely quoted as saying during a July 22 briefing: "I can tell you that we have plans with United States Forces Korea and others in place if the President tells us to execute those plans, in the event of some uncertain succession in the North."

#### U.S.-China Strategic and Economic Dialogue

Right-of-center JoongAng Ilbo editorialized: "What is particularly noteworthy is that the Korean Peninsula issue will be discussed as one major topic during the Dialogue. ... Although we acknowledge the inevitability of discussions between the U.S. and China on the Korean Peninsula issue, the two nations must not determine our fate, with the ROK, the party concerned, excluded. ... We should refine our vision for the future of the Korean Peninsula, which takes unification into consideration, and actively persuade the U.S. and China based on this (vision). North Korea, for its part, should take the reality, that the Korean Peninsula issue is high on the U.S.-China Dialogue agenda, seriously and abandon its nuclear program. ... In the long term, the unification of the Korean Peninsula should be discussed in a 'two-plus-four format,' in which

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the two Korea's take the lead with support from the remaining four nations of the Six-Party Talks. In this sense, the two Koreas should resume talks as early as possible."

#### OPINIONS/EDITORIALS

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NEXT WEEK'S U.S.-CHINA STRATEGIC AND ECONOMIC DIALOGUE IS NOTEWORTHY BECAUSE IT WILL SEAL THE FATE OF THE KOREAN PENINSULA (JoongAng Ilbo, July 24, page 38)

The international community is turning its attention to the first U.S.-China Strategic and Economic Dialogue that will take place in Washington early next week. The Dialogue will be held in a "two-plus-two format" because it will be attended on the U.S. side by Secretary of State Hillary Clinton and Treasury Secretary Timothy Geithner; and on the Chinese side by State Councilor Dai Bingguo and Vice Premier Wang Qishan. This Dialogue is a high-level strategic meeting that will be different from the previous one held at the vice-ministerial level. The Dialogue could be viewed as the official advent of a "G2" era in which the international order is dominated by two powerful countries (the U.S. and China). According to the White House, both countries will address a variety of pending issues including short- and long-term strategy, and economic interests in regional and global areas.

What is particularly noteworthy is that the Korean Peninsula issue will be discussed as one major topic during the Dialogue. During a July 22 press conference, Chinese Vice Foreign Minister He Yafei said that both countries will use the Dialogue to discuss ways to peacefully resolve the Korean Peninsula issue. It seems natural that the North Korean nuclear issue and the Korean Peninsula issue will be put on the discussion table because both are major security and regional concerns for the U.S. and China. The harsh reality is that the North Korean nuclear issue and the Korean Peninsula issue cannot be ultimately resolved unless both countries have common interests.

In addressing the North Korean nuclear issue, the U.S. maintains its position that there have to be consequences for bad behavior. Under this position, the U.S. is strengthening pressure on North Korea through sanctions, and at the same time holding out a carrot in the name of a "comprehensive package."

The comprehensive package, which was first revealed during Assistant Secretary of State Kurt Campbell's recent visit to the ROK, was formalized through Secretary Clinton's speech at the ARF yesterday. In the speech, she said specifically that if the North Koreans will agree to complete and irreversible denuclearization, the U.S., as well as its partners, will move forward on a package of incentives, including normalizing relations with energy and economic assistance. While giving weight to stick measures, she also provided the North with a way out. Still, North Korea's representative to the ARF described the initiative as a "nonsense," which is a clear misjudgment based on their false perception of reality.

Although we acknowledge the inevitability of discussions between the U.S. and China on the Korean Peninsula issue, the two nations must not determine our fate, with the ROK, the party concerned, excluded.

This is not the time for us to rely entirely on the ROK-U.S. alliance and do nothing. We should refine our vision for the future of the Korean Peninsula - which takes unification into consideration - and actively persuade the U.S. and China based on this (vision). North Korea, for its part, should take the reality, that the Korean Peninsula issue is high on the U.S.-China Dialogue agenda, seriously and abandon its nuclear programs. And as already shown in the process of German unification, in the long term, the unification of the Korean Peninsula should be discussed in a "two-plus-four format," in which the two Koreas take the lead with support from the remaining four nations of the Six-Party Talks. In this sense, the two Koreas should resume talks as early as possible.

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STEPHENS